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In re patent application of:

) Attorney Docket No.: F-206

Thomas J. Foth, et al.

) Group Art Unit: 3621

Serial No.: 09/704,864

) Examiner: Pierre E. Elisca

Filed: November 2, 2000

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Confirmation No: 5186

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Title: **A VIRTUAL BOOKSHELF FOR ONLINE STORAGE USE AND SALE
OF MATERIAL**

APPELLANTS' BRIEF

Mail Stop Appeal Brief-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

This brief is in furtherance of the Notice of Appeal filed in this case on January 2,
2004.

This Brief is transmitted in triplicate.

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I REAL PARTY IN INTEREST

Pitney Bowes Inc. is the real party in interest.

II RELATED APPEALS AND INTERFERENCES

There are no related Appeals and Interferences.

III STATUS OF CLAIMS

a) Claims 1 - 19 are in the application.

b) Claims 1 - 19 are rejected.

c) Claims 1 - 19 are on appeal.

IV STATUS OF AMENDMENTS

An amendment subsequent to the October 3, 2003, Final Rejection was filed on November 17, 2003. This amendment was not entered.

V SUMMARY OF THE INVENTION

A. Background

The prior art does not provide for a “virtual bookshelf” in a digital rights management system and method that automatically backs up the consumer’s material when it is downloaded at a site remote from the consumer.

In the past, literary and dramatic, musical, motion picture and photographic works were fixed in tangible forms commonly known as books. Musical works were recorded on records, tapes or compact disks, and motion pictures were recorded on film, tape or disk. Photographs were printed on paper, which may have been bound into books. The literary works, dramatic works, musical works, motion pictures, and photographs were

tangible items that could be seen with the naked human eye and stored in book shelves. When the possessor of any one of the above items wanted to use one of the items, the possessor would go to the book shelf and retrieve the item.

In today's society, with the proliferation of personal computers and the ability to easily connect to the Internet, people have the ability to download literary works, dramatic works, musical works, motion pictures, and photographs from an Internet site to their computer. In some instances, the consumer owns one copy of the downloaded material and in other instances, the consumer may only have certain specified rights to use the downloaded material, i.e., for his/her own use, to use the downloaded material a specified number of times, etc.

A consumer usually had the right to make archival copies of the downloaded material. However, a consumer usually was unable or unwilling to make archival copies, since the copies usually required a large amount of backup memory space and/or were a hassle to make. If archival copies of the downloaded material were not made and the consumer's computer files were corrupted or the consumer's computer crashed, the consumer may not have been able to retrieve the downloaded material, because the provider web site of the downloaded material was no longer available, or the content comprising the downloaded material was no longer available.

Digital Rights Management (DRM) systems have been developed to control a user's accesses to the items stored in the system. Current DRM systems do not archive downloaded material purchased by the consumer.

B. Appellants claim a “virtual bookshelf” in a digital rights management system and method that automatically backs up the consumer’s material when it is downloaded at a site remote from the consumer.

This invention provides a “virtual bookshelf” for users of a Digital Rights Management (DRM) system. The present invention lists the purchased material and/or material that the consumer has a right to use. The invention automatically backs up the consumer’s material when it is downloaded; provides for the retrieval and/or synchronization of the material on a computer or other device; provides for the rights-based sharing of the material; and the ability to recommend or transfer the material to a third party with or without financial consideration. The automatic archiving of material is advantageous over conventional media inasmuch as the archival copy is always available, i.e., VHS tapes may break rendering the tape useless and destroying what is on the tape.

A consumer is able to create a “virtual bookshelf” of the purchased material and/or material that the consumer has a right to use that parallels bookshelves in the real world.

FIG. 2A

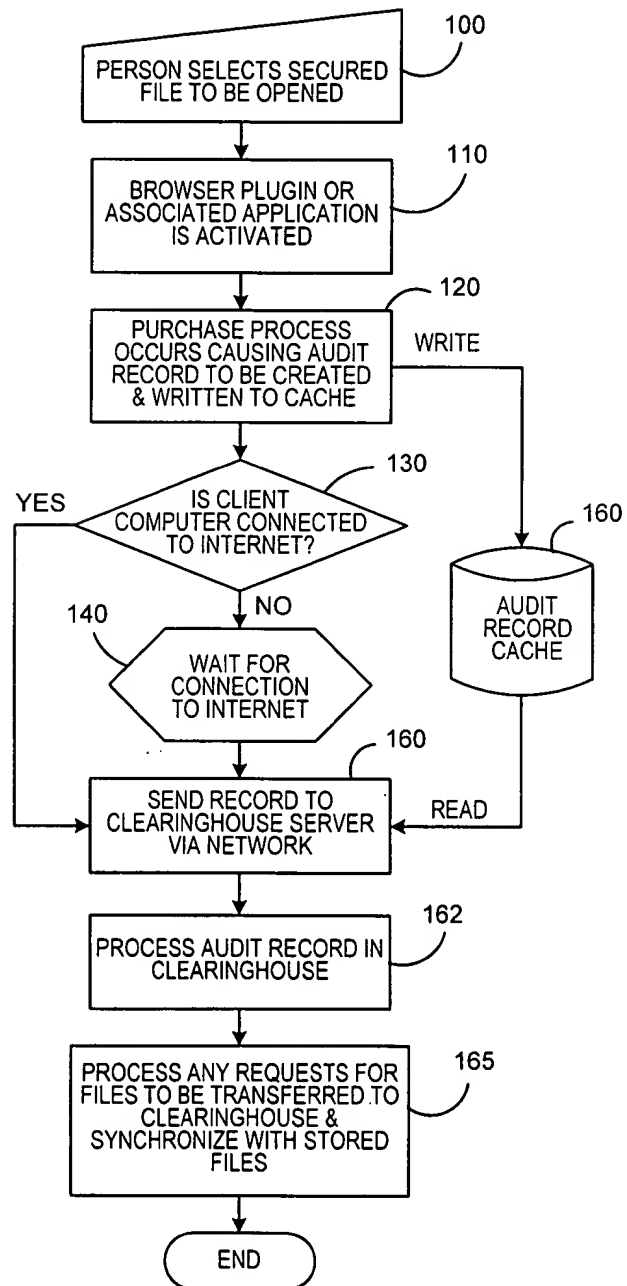


FIG. 2B

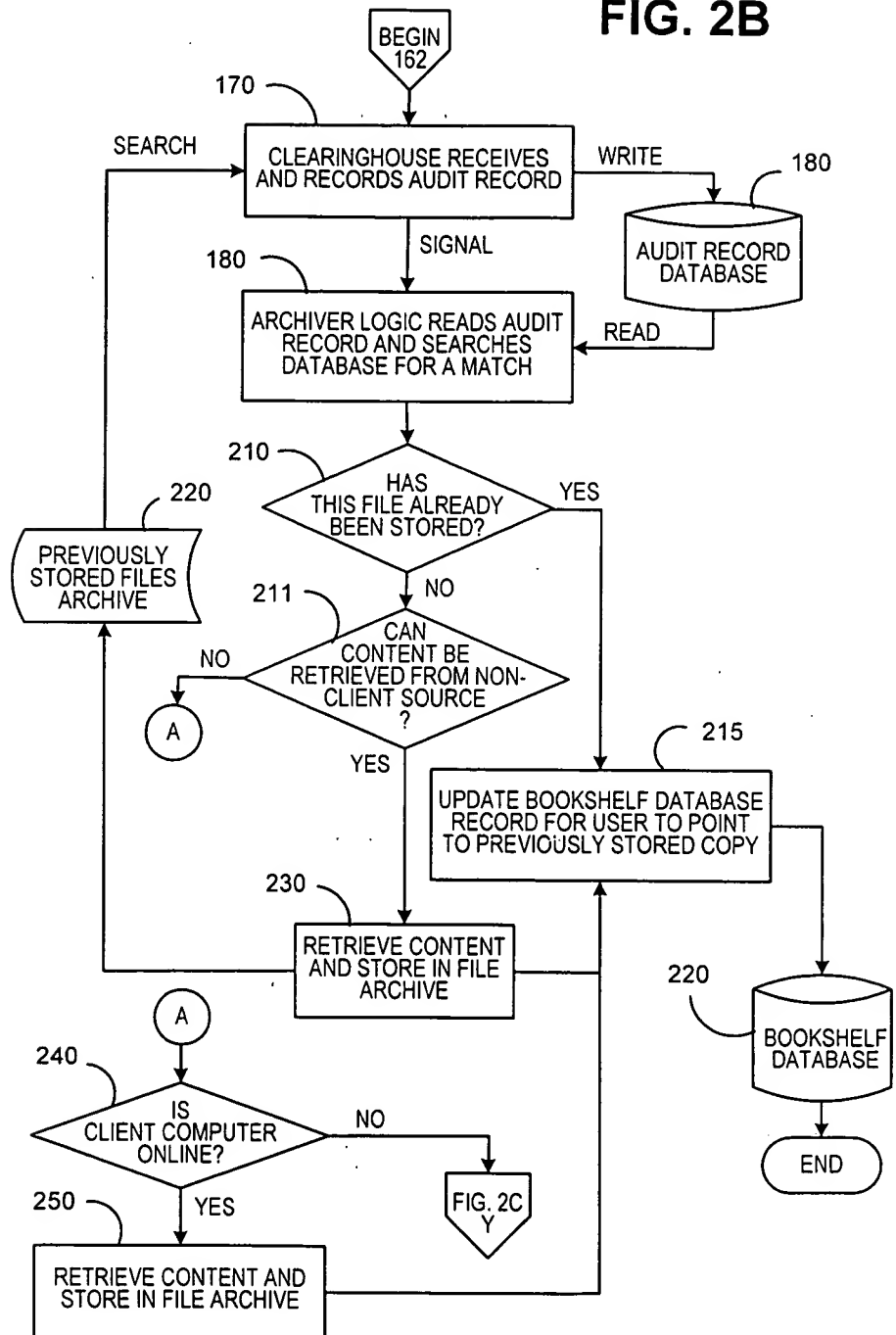
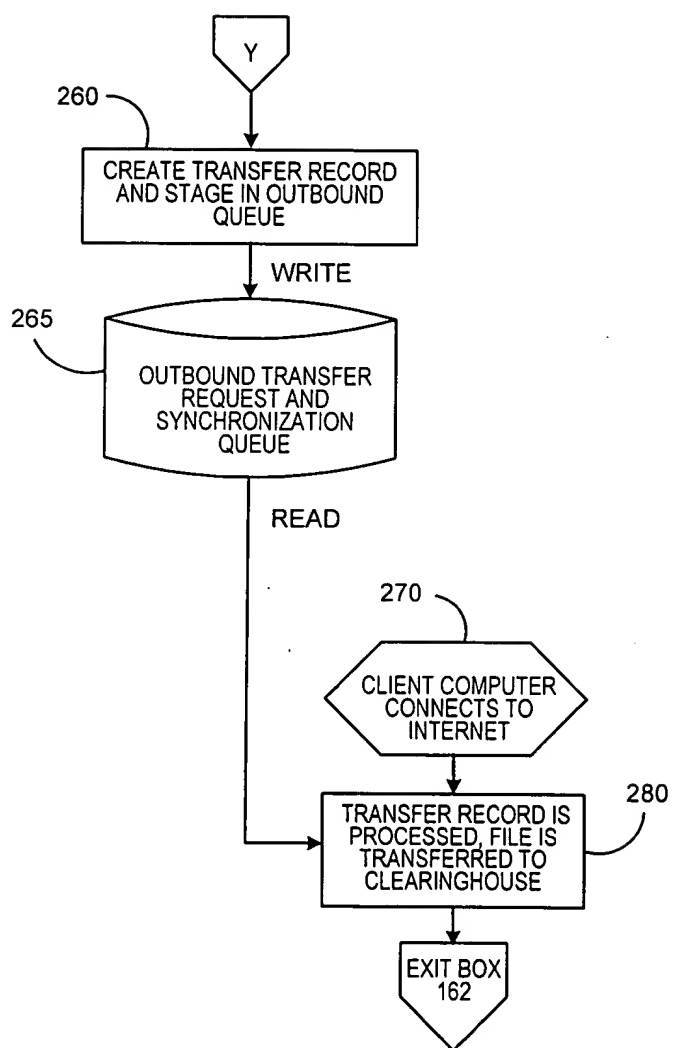


FIG. 2C



The following method is shown in Figs. 2A – 2C, and line 7 of page 4 to line 13 of page 6 of Appellants' Patent Application. A copy Figs. 2A – 2C appears next to this page.

Figs. 2A - 2C is a flow chart showing the automatic backup of material when the material is loaded or downloaded into computer 11. The consumer selects a secure file to be opened in step 100. The secure file may be delivered to computer 11 via any media, i.e., networks, diskettes, CD's, memory devices, etc. Upon opening the secured file in step 110, previously installed software in computer 11, in the form of a browser plug in or other associated application, is activated by the opening application, i.e., a browser, the operating system, or any other application including media rendering programs. In step 120, digital rights management software conducts the purchase process which grants the user the rights to render the material and an audit record that indicates the above transaction to be created and written to cache in step 160. The digital rights management software may be obtained from Intertrust Technologies Corporation of 4750 Patrick Henry Drive, Santa Clara, California 9504.

The DRM software in step 130 determines whether or not computer 11 is connected to the Internet. If consumer computer 11 is not connected to the Internet at the time of purchase, i.e., purchasing material from a CD offline, the digital management software will wait until a connection to the Internet is achieved in step 140. Once computer 11 is linked to the Internet, the audit record is transmitted to clearinghouse server 14 in step 160. In step 162 server 14 will process the audit record. In step 165 server 14 processes any requests for material stored on computer 11 to be transferred

stored on computer 11 to be transferred to sever 14 and synchronized with the stored files in archive 15. After the processing is complete the program ends.

Fig. 2B describes the process performed by server 14 in block 162 (Fig. 5A). In step 170, clearinghouse server 14 receives and records the audit record. In step 180 the audit record is written in a database. In step 190, the reception of the audit record causes server 14 to activate an asynchronous computer routine that reads the record and searches the database of previously stored material to find a match. Step 210 determines whether or not the material has already been stored in archive 15, i.e., another consumer has purchased the material and the material has previously been stored in server 14, etc. Material which has been previously stored in archive 15 or the material which has been preloaded by a content provider in anticipation of future purchases is retained in the form secured by the DRM system. If the material has been previously stored in server 14, the next step will be step 215. Step 215 will update the virtual bookshelf 30 database record for computer 11 to point to the previously stored copy of the material. The virtual bookshelf 30 database will then be updated in step 220. The program will end at this point. If step 210 determines that the material has not been previously stored in server 14, the next step will be step 211.

Step 211 determines whether or not the material may be retrieved from a provider of material, which could be content provider web site 13. If step 211 determines that the material may not be retrieved from a provider of material, the next step will be step 240. Step 240 will determine whether or not computer 11 is online. If step 240 determines that computer 11 is online, the next step will be step 250. Step 250 will retrieve the material from computer 11 and store the material in archive 15 (Fig.

1). The next step will be step 215, where the virtual bookshelf 30 database will be updated. If step 240 determines that computer 11 is not online, the next step will be step 260 (Fig. 2C). Step 260 will create a transfer record and stage in outbound queue on server 14. The next step may be step 270, where computer 11 is connected to the Internet. In step 280, the transfer record is processed, and the material is transferred from computer 11 to archive 15 . At this point, step 162 will be exited.

If step 211 determines that the material may be retrieved from a material provider, the next step will be step 230. Step 230 will retrieve the material and store the material in archive 15 (Fig. 1). The virtual bookshelf 30 database will then be updated in step 215. Server 14 may make available the material stored in archive 15 by displaying an index of the material in virtual bookshelf 30.

VI ISSUES PRESENTED FOR REVIEW

- A. Whether or not claims 1 – 4 are patentable under 35 USC §102(b), for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).
- B. Whether or not claim 5 is patentable under 35 USC §102(b), for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).
- C. Whether or not claims 6 and 7 are patentable under 35 USC §102(b), for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).
- D. Whether or not claims 8 and 9 are patentable under 35 USC §102(b), for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).
- E. Whether or not claims 10 and 11 are patentable under 35 USC §102(b), for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

- F. Whether or not claim 12 is patentable under 35 USC §102(b), for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).
- G. Whether or not claim 13 is patentable under 35 U.S.C. §102(b) for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).
- H. Whether or not claims 14 and 15 are patentable under 35 USC §102(b), for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).
- I. Whether or not claim 16 is patentable under 35 U.S.C. §102(b) for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).
- J. Whether or not claims 17 and 18 are patentable under 35 USC §102(b), for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).
- K. Whether or not claim 18 is patentable under 35 U.S.C. §102(b) for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

VII GROUPING OF CLAIMS

- A. Claims 1 - 4 stand or fall together with regards to the rejection under 35 USC §102(b).
- B. Claim 5 stands or falls with regards to the rejection under 35 USC §102(b).
- C. Claims 6 and 7 stand or fall together with regards to the rejection under 35 USC §102(b).
- D. Claims 8 and 9 stand or fall together with regards to the rejection under 35 USC §102(b).
- E. Claims 10 and 11 stand or fall together with regards to the rejection under 35 USC §102(b).

- F. Claim 12 stands or falls with regards to the rejection under 35 USC §102(b).
- G. Claim 13 stands or falls with regards to the rejection under 35 USC §102(b).
- H. Claims 14 and 15 stand or fall together with regards to the rejection under 35 USC §102(b).
- I. Claim 16 stands or falls with regards to the rejection under 35 USC §102(b).
- J. Claims 17 and 18 stand or fall together with regards to the rejection under 35 USC §102(b).
- K. Claim 19 stands or falls by itself with regards to the rejection under 35 USC §102(b).

VIII ARGUMENTS

A. Claims 1 - 4 have been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

Stefik discloses the following in his abstract:

“A system for controlling use and distribution of composite digital works. A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure, e.g. a tree structure. For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the composite digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. Composite digital works are stored in repositories. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the

usage rights for each individual digital work found in the description part of the composite digital work.”

Stefik discloses the following in lines 1-31 of column 4:

“A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure (e.g. a tree structure.) For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. In this representation, the description part may naturally be stored separately on a separate medium from the content part.

Composite digital works are stored in repositories. A repository is comprised of a storage means for storing a digital work and its attached usage rights, an external interface for receiving and transmitting data, a processor and a clock. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part. Access is granted if the composite digital work if access to each of the individual digital works can be granted. [sic] Alternatively, if access to all the individual digital works cannot be granted, partial access can be granted only to those individual digital works which grant access.”

Stefik discloses the following in lines 34-48 of column 6:

“In any event, Repository 1 checks the usage rights associated with the digital work to determine if the access to the digital work may be granted, step 105. The check of the usage rights essentially involves a determination of whether a right associated with the access request has been attached to the digital work and if all conditions associated with the right are satisfied. If the access is denied, repository 1 terminates the session with an error message, step 106. If access is granted, repository 1 transmits the digital work to repository 2, step 107. Once the digital work has been transmitted to repository 2, repository 1 and 2 each generate billing information for the access which is transmitted to a credit server, step 108. Such double billing reporting is done to insure against attempts to circumvent the billing process.”

No archival copy is made between Stefik's steps 107 and 108 of Fig. 1. If Stefik's repository 1 fails and Stefik's repository 2 fails, the user is unable to obtain an archival copy of the material the user previously purchased. Furthermore, there is a chance that a copy of the protected material will be in repository 1 or repository 2. However, the possibility exists that there would not be a copy of the protected material when the consumer wants an archival copy of material for which the consumer has previously paid.

Stefik does not disclose or anticipate automatically making an archival copy of the protected material at a site remote from the consumer. The foregoing is claimed in steps c) and d) of claim 1, which read as follows:

- c) determining whether or not there is an existing copy of the protected material;
- d) storing an existing copy of the protected material automatically for archival purposes at a site remote from the consumer at the time the material was first obtained by the consumer.

Steps c) and d) of claim 1 provide for the situation when the site that sold the digital rights protected content stops vending the material for any reason, and the digital rights protected material on the consumer's computer is lost or damaged, i.e., theft of the consumer's computer, damage to the computer, or computer storage medium, computer crashes, etc., the consumer will be able to obtain an archival copy of the material. This is unlike other back up technology in that it happens automatically at a remote site at the time the material was first obtained by the consumer.

Furthermore, Stefik does not disclose step e) of claim 1, namely: e) creating a pointer for the consumer to point to the stored archival material.

Appellants' pointer does not point to the digital work. Appellants' pointer points to the stored archival material.

B. Claim 5 has been rejected by the Examiner under 35 USC §102(b), for being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

In addition to the arguments made in above Section A, please consider the following. Claim 5 adds the following to the method claimed in claim 1, wherein the pointer is located in a bookshelf.

The Examiner stated in page 4 of the Final Rejection: "As per claims 5, 8, 9, 13 and 17 Stefik discloses the claimed method wherein the pointer is located in a bookshelf (see abstract, col. 4, lines 9 –14.)"

Stefik discloses the following in his abstract:

"A system for controlling use and distribution of composite digital works. A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure, e.g. a tree structure. For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the composite digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. Composite digital works are stored in repositories. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part of the composite digital work."

Stefik discloses the following in lines 9 -14 of column 4:

“ A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. In this representation, the description part may naturally be stored separately on a separate medium from the content part. ”

The art cited by the Examiner does not disclose a pointer that is located in a bookshelf.

C. Claims 6 and 7 have been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

In addition to the arguments made in above Section A, please consider the following. Claim 6 adds the following step to the method claimed in claim 1, transferring the consumer's rights to the material to a third party.

Claim 7 adds the following step to the method claimed in claim 6, archiving automatically the transferred material for the third party at a site remote from the third party.

The Examiner stated in page 4 of the Final Rejection: “As per claims 6 and 7 Stefik discloses the claimed method of transferring the consumer's rights to the material to a third party (see Fig. 1 item 105 or third party, digital work to determine if access may be granted, and also col. 2, lines 1-23, col. 4, lines 15-32).”

Stefik discloses the following in col. 2, lines 1-23.

“A system for ensuring that licenses are in place for using licensed products is described in PCT Publication WO 93/01550 to Griswold entitled “License Management System and Method.” The licensed product may be any electronically published work but is most effective for use with works that are used for extended periods of time such as software programs. Griswold requires that the licenses product contain software to invoke a license check monitor at predetermined time internals. The license check monitor generates request datagrams which identify the licensee. The request datagrams are sent to a license control system over an appropriate communication facility. The license control system then checks the datagram to determine if the datagram is from a valid licensee. The license control

system then sends a reply datagram to the licensed check monitor indicating denial or approval of usage. The license control system will deny usage in the event that request datagrams go unanswered after a predetermined period of time (which may indicate an unauthorized attempt to use the licensed product). In this system, usage is managed at a central location by the response datagrams. So for example if license fees have not been paid, access to the licensed product is terminated.

Stefik discloses the following in col. 4, lines 15-32.

“Composite digital works are stored in repositories. A repository is comprised of a storage means for storing a digital work and its attached usage rights, an external interface for receiving and transmitting data, a processor and a clock. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part. Access is granted if the composite digital work if access to each of the individual digital works can be granted. [sic] Alternatively, if access to all the individual digital works cannot be granted, partial access can be granted only to those individual digital works which grant access.”

The art cited by the Examiner does not disclose or anticipate transferring the consumer's rights to the material to a third party or automatically archiving the transferred material for the third party at a site remote from the third party.

D. Claims 8 and 9 have been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

In addition to the arguments made in above Section A, please consider the following: claim 8 adds the following step to the method claimed in claim 7, creating a pointer for the consumer to point to the transferred archival material.

Claim 9 adds the following step to the method claimed in claim 8, creating a pointer for the third party to point to the transferred archival material.

The Examiner stated in page 4 of the Final Rejection: "As per claims 5, 8, 9, 13 and 17 Stefik discloses the claimed method wherein the pointer is located in a bookshelf (see abstract, col. 4, lines 9 –14)."

Stefik discloses the following in his abstract:

"A system for controlling use and distribution of composite digital works. A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure, e.g. a tree structure. For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the composite digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. Composite digital works are stored in repositories. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part of the composite digital work."

Stefik discloses the following in lines 9 -14 of column 4:

" A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. In this representation, the description part may naturally be stored separately on a separate medium from the content part. "

The art cited by the Examiner does not disclose or anticipate creating a pointer for the consumer or third party to point to the transferred archival material.

E. Claims 10 and 11 have been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

In addition to the arguments made in above Section A, please consider the following. Claim 10 adds the following step to the method claimed in claim 1, transferring a portion of the consumer's rights to the material to a third party.

Claim 11 adds the following step to the method claimed in claim 10, transferring the consumer's rights to the material to a third party.

The Examiner stated in page 5 of the Final Rejection: "As per claims 10 and 11 Stefik discloses the claimed method of transferring a portion of the consumer's rights to the material to a third party (see Fig. 7, item 701) that has two parts: a first part is a unique number assigned to the repository or portion of the consumer's rights, and a second part is a unique number assigned to the work upon creation, and therefore, it is inherent to realize that the first part or portion is a unique number for consumer's rights, col. 9, lines 1 – 14.

Stefik discloses the following in col. 9, lines 1 – 14.

"...pointing to a parent d-block and child points **706** for pointing to the child d-blocks. In the currently preferred embodiment, the identifier **701** has two parts. The first part is a unique number assigned to the repository upon manufacture. The second part is a unique number assigned to the work upon creation. The rights portion **704** will contain a data structure, such as a look-up table, wherein the various information associated with a right is maintained. The information required by the respective usage rights is described in more detail below. D-blocks form a strict hierarchy. The top d-block of a work has no parent; all other d-blocks have one parent. The relationship of usage rights between parent and child d-blocks and how conflicts are resolved is described below."

The art cited by the Examiner does not disclose or anticipate transferring a portion of the consumer's rights or the consumer's rights to the material to a third party.

F. Claim 12 has been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

In addition to the arguments made in above Section A, please consider the following. Claim 12 adds the following step to the method claimed in claim 11, archiving automatically the transferred material for the third party at a site remote from the third party.

The Examiner stated in page 3 of the Final Rejection:

"storing an existing copy of the protect material (or digital work) automatically of archival purposes at a site remote from the consumer at the time the material was first obtained by the consumer (see., abstract, col 4, lines 1-32, col 1, lines 25-59, specifically wherein it is stated that the content part stores the actual digital data comprising the composite digital work. A description part is logically organized in a acyclic structure (e.g. a tree structure). The description part may naturally be stored separately on a separate medium from the content part. The composite digital works are stored in repositories, and also, col 3, lines 5-67, copy or distribution of digital work. Please note that the content part, description part of the digital work are stored at a site from the consumer);

Stefik discloses the following in his abstract:

"A system for controlling use and distribution of composite digital works. A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure, e.g. a tree structure. For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the composite digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. Composite digital works are stored in repositories. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the

usage rights for each individual digital work found in the description part of the composite digital work.”

Stefik discloses the following in lines 1-31 of column 4:

“A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure (e.g. a tree structure.) For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. In this representation, the description part may naturally be stored separately on a separate medium from the content part.

Composite digital works are stored in repositories. A repository is comprised of a storage means for storing a digital work and its attached usage rights, an external interface for receiving and transmitting data, a processor and a clock. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part. Access is granted if the composite digital work if access to each of the individual digital works can be granted. [sic] Alternatively, if access to all the individual digital works cannot be granted, partial access can be granted only to those individual digital works which grant access.”

Stefik discloses the following in lines 25 - 59 of column 1:

The ease in which electronically published works can be “perfectly” reproduced and distributed is a major concern. The transmission of digital works over networks is commonplace. One such widely used network is the Internet. The Internet is a widespread network facility by which computer users in many universities, corporations and government entities communicate and trade ideas and information. Computer bulletin boards found on the Internet and commercial networks such as CompuServe and Prodigy allow for the posting and retrieving of digital information. Information services such as Dialog and LEXIS/NEXIS provide databases of current information on a wide variety of topics. Another factor which will exacerbate the situation is the development and expansion of the National Information Infrastructure (the NII). It is anticipated that, as the NII grows, the transmission of digital works over networks will increase many times over. It

would be desirable to utilize the NII for distribution of digital works without the fear of widespread unauthorized copying.

The most straightforward way to curb unaccounted distribution is to prevent unauthorized copying and transmission. For existing materials that are distributed in digital form, various safeguards are used. In the case of software, copy protection schemes which limit the number of copies that can be made or which corrupt the output when copying is detected have been employed. Another scheme causes software to become disabled after a predetermined period of time has lapsed. A technique used for workstation based software is to require that a special hardware device must be present on the workstation in order for the software to run, e.g., see US. Pat. No. 4,932,054 entitled "Method and Apparatus for Protecting Computer Software Utilizing Coded Filter Network in Conjunction with an Active Coded Hardware Device." Such devices are provided with the software and are commonly referred to as dongles."

The art cited by the Examiner does not disclose or anticipate archiving automatically the transferred material for the third party at a site remote from the third party.

G. Claim 13 has been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

In addition to the arguments made in above Section A, please consider the following. Claim 13 adds the following step to the method claimed in claim 11, creating a pointer for the consumer to point to the transferred archival material.

The Examiner stated in page 4 of the Final Rejection: "As per claims 5, 8, 9, 13 and 17 Stefik discloses the claimed method wherein the pointer is located in a bookshelf (see abstract, col. 4, lines 9 –14.) "

Stefik discloses the following in his abstract:

"A system for controlling use and distribution of composite digital works. A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite

digital work. The description part is logically organized in an acyclic structure, e.g. a tree structure. For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the composite digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. Composite digital works are stored in repositories. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part of the composite digital work.”

Stefik discloses the following in lines 9 -14 of column 4:

“ A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. In this representation, the description part may naturally be stored separately on a separate medium from the content part. ”

The art cited by the Examiner does not disclose or anticipate creating a pointer for the consumer to point to the transferred archival material that has been archived automatically for a third party at a site remote from the third party.

H. Claims 14 and 15 have been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

In addition to the arguments made in above Section A, please consider the following. Claim 14 adds the following step to the method claimed in claim 1, retrieving a copy of the protected material.

Claim 15 adds the following step to the method claimed in claim 1, loaning the material to a third party.

The Examiner stated in page 3 of the Final Rejection that: “...access is granted if the composite digital work if access to each of the individual digital works can be

granted, col. 5, lines 43 – 67 and col. 6, lines 36-48, please note the bookshelf is readable as tree structure...”

Stefik discloses the following in lines col. 5, lines 43 – 67:

“There is a market for digital works because creators are strongly motivated to reuse portions of digital works from others rather than creating their own completely. This is because it is usually so much easier to use an existing stock photo or music clip than to create a new one from scratch.

Herein the terms “digital work”, “work” and “content” refer to any work that has been reduced to a digital representation. This would include any audio, video, text, or multimedia work and any accompanying interpreter (e.g. software) that may be required for recreating the work. The term composite work refers to a digital work comprised of a collection of other digital works. The term “usage rights” or “rights” is a term which refers to rights granted to a recipient of a digital work. Generally, these rights define how a digital work can be used and if it can be further distributed. Each usage right may have one or more specified conditions which must be satisfied before the right may be exercised. Appendix 1 provides a Glossary of the terms used herein.

A key feature of the present invention is that usage rights are permanently “attached” to the digital work. Copies made of a digital work will also have usage rights attached. Thus, the usage rights and any associated fees assigned by a creator and subsequent distributor will always remain with a digital work.”

Stefik discloses the following in lines col. 6, lines 34-48:

“In any event, Repository 1 checks the usage rights associated with the digital work to determine if the access to the digital work may be granted, step 105. The check of the usage rights essentially involves a determination of whether a right associated with the access request has been attached to the digital work and if all conditions associated with the right are satisfied. If the access is denied, repository 1 terminates the session with an error message, step 106. If access is granted, repository 1 transmits the digital work to repository 2, step 107. Once the digital work has been transmitted to repository 2, repository 1 and 2 each generate billing information for the access which is transmitted to a credit server, step 108. Such double billing reporting is done to insure against attempts to circumvent the billing process.”

I. Claim 16 has been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

In addition to the arguments made in above Sections A and H, please consider the following. Claim 16 has the following step added to the method claimed in claim 15,

archiving automatically the loaned material for the third party at a site remote from the third party.

The Examiner rejected this claim for the reasons stated in above paragraph H. The art cited by the Examiner does not disclose or anticipate automatically archiving the loaned material for the third party at a site remote from the third party.

J. Claims 17 and 18 have been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

In addition to the arguments made in above Section A, please consider the following. Claim 17 has the following step added to the method claimed in claim 16, creating a pointer for the consumer to point to the loaned archival material.

Claim 18 has the following step added to the method claimed in claim 16, creating a pointer for the party to point to the loaned archival material.

The Examiner stated in page 4 of the Final Rejection: "As per claims 5, 8, 9, 13 and 17 Stefik discloses the claimed method wherein the pointer is located in a bookshelf (see abstract, col. 4, lines 9 –14. "

Stefik discloses the following in his abstract:

"A system for controlling use and distribution of composite digital works. A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure, e.g. a tree structure. For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the composite digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. Composite digital works are stored in repositories. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will

process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part of the composite digital work.”

Stefik discloses the following in lines 9 -14 of column 4:

“ A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. In this representation, the description part may naturally be stored separately on a separate medium from the content part. ”

The art cited by the Examiner does not disclose or anticipate creating a pointer for the consumer to point to the loaned archival material or creating a pointer for the party to point to the loaned archival material.

K. Claim 19 has been rejected by the Examiner under 35 U.S.C. §102(b) as being anticipated by Stefik, et al. (U.S. Patent No. 5,638,443).

Stefik discloses the following in his abstract:

“A system for controlling use and distribution of composite digital works. A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work. The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure, e.g. a tree structure. For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the composite digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. Composite digital works are stored in repositories. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part of the composite digital work.”

Stefik discloses the following in lines 1-31 of column 4:

“A digital work is comprised of a description part and a content part. The description part contains control information for the composite digital work.

The content part stores the actual digital data comprising the composite digital work. The description part is logically organized in an acyclic structure (e.g. a tree structure.) For a composite digital work each node of the acyclic structure represents an individual digital work or some distribution interest in the digital work. A node in the acyclic structure is comprised of an identifier of the individual work, usage rights for the individual digital work and a pointer to the digital work. In this representation, the description part may naturally be stored separately on a separate medium from the content part.

Composite digital works are stored in repositories. A repository is comprised of a storage means for storing a digital work and its attached usage rights, an external interface for receiving and transmitting data, a processor and a clock. A repository has two primary operating modes, a server mode and a requester mode. When operating in a server mode, the repository is responding to requests to access digital works. When operating in requester mode, the repository is requesting access to a digital work. A repository will process each request to access a composite digital work by examining the usage rights for each individual digital work found in the description part. Access is granted if the composite digital work if access to each of the individual digital works can be granted. [sic] Alternatively, if access to all the individual digital works cannot be granted, partial access can be granted only to those individual digital works which grant access."

Stefik discloses the following in lines 34-48 of column 6:

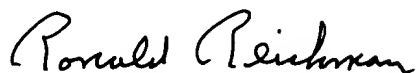
"In any event, Repository 1 checks the usage rights associated with the digital work to determine if the access to the digital work may be granted, step 105. The check of the usage rights essentially involves a determination of whether a right associated with the access request has been attached to the digital work and if all conditions associated with the right are satisfied. If the access is denied, repository 1 terminates the session with an error message, step 106. If access is granted, repository 1 transmits the digital work to repository 2, step 107. Once the digital work has been transmitted to repository 2, repository 1 and 2 each generate billing information for the access which is transmitted to a credit server, step 108. Such double billing reporting is done to insure against attempts to circumvent the billing process."

Stefik does not disclose or anticipate step b) of claim 19. Step b) of claim 19 reads as follows: b) an archive coupled to the clearinghouse that automatically backs up content represented by the transactions at the time the content was first purchased.

IX PRAYER FOR RELIEF

Appellant respectfully submits that appealed claims 1 - 19 in this application are patentable. It is requested that the Board of Appeal overrule the Examiner and direct allowance of the rejected claims.

Respectfully submitted,



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X APPENDIX OF CLAIMS INVOLVED IN THE APPEAL

What is claimed is:

1. A method for handling material, the method comprising the steps of:
 - a) obtaining digital rights management protected material for a consumer;
 - b) informing a bookshelf that the protected material was obtained;
 - c) determining whether or not there is an existing copy of the protected material;
 - d) storing an existing copy of the protected material automatically for archival purposes at a site remote from the consumer at the time the material was first obtained by the consumer; and
 - e) creating a pointer for the consumer to point to the stored archival material.
2. The method claimed in claim 1, wherein the existing copy of the protected material is obtained from the provider of the material.
3. The method claimed in claim 1, wherein the existing copy of the protected material is obtained from the vendor of the material.
4. The method claimed in claim 1, wherein the existing copy of the protected material is obtained from the consumer of the material.
5. The method claimed in claim 1, wherein the pointer is located in a bookshelf.
6. The method claimed in claim 1, further including the step of:

transferring the consumer's rights to the material to a third party.

7. The method claimed in claim 6, further including the step of:

archiving automatically the transferred material for the third party at a site remote from the third party.

8. The method claimed in claim 7, further including the step of:

creating a pointer for the consumer to point to the transferred archival material.

9. The method claimed in claim 8, further including the step of:

creating a pointer for the third party to point to the transferred archival material.

10. The method claimed in claim 1, further including the step of: transferring a portion of the consumer's rights to the material to a third party.

11. The method claimed in claim 10, further including the step of: transferring the consumer's rights to the material to a third party.

12. The method claimed in claim 11, further including the step of:

archiving automatically the transferred material for the third party at a site remote from the third party.

13. The method claimed in claim 11, further including the step of:
creating a pointer for the consumer to point to the transferred archival material.
14. The method claimed in claim 1, further including the step of: retrieving a copy of the protected material.
15. The method claimed in claim 1, further including the step of: loaning the material to a third party.
16. The method claimed in claim 15, further including the step of:
archiving automatically the loaned material for the third party at a site remote from the third party.
17. The method claimed in claim 16, further including the step of:
creating a pointer for the consumer to point to the loaned archival material.
18. The method claimed in claim 16, further including the step of:
creating a pointer for the party to point to the loaned archival material.
19. A system for managing digital rights and automatically purchasing digital content, said system comprising;
a) a digital rights clearinghouse that records transactions;

- b) an archive coupled to the clearinghouse that automatically backs up content represented by the transactions at the time the content was first purchased; and
- c) a plurality of computers coupled to the clearinghouse and the archive that acquire digital rights to the managed content.



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